

State WORKER'S COMPENSATION INSURANCE COVERAGE

All timber sales require proof of worker's compensation. No activity may commence or continue on a timber sale unless the contractor provides and has in force worker's compensation insurance for all employees. All employees, even if arguably exempted from coverage under [chapter 102](#), Wis. Stats., must be covered. Coverage must be evidenced by submission of an original Certificate of Insurance as provided by the insurance company, naming the Department as the certificate holder.

The forester should check with the insurance company on the expiration date of the Certificate to determine whether the coverage has been changed or renewed. Minimum coverage limits on worker's compensation policies are mandated by statute. If the coverage at any time cannot be confirmed, the sale should be stopped until a Certificate of Insurance is provided by the contractor.

Exceptions to this Coverage Requirement

1. Sole Proprietor - The forester should be reasonably certain that the contractor is a sole proprietor and will be working alone without the aid or assistance of another. A sole proprietor must conduct all phases of the operation including hauling. The forester shall contact and discuss the status of such a contractor with the Bureau of Legal Services prior to exempting them from coverage.

The Sole Proprietor must meet the chapter 102 definition of an "independent contractor" (the contractor must comply with all items listed):

- a. Maintains a separate business with his own office, equipment, materials and other facilities.
  - b. Holds or has applied for a federal employer identification number.
  - c. Operates under contract to perform specific services or work for specific amounts of money and under which the independent contractor controls the means of performing the service or work.
  - d. Incurs the main expenses related to the service or work that he performs under the contract.
  - e. Is responsible for the satisfactory completion of services or work that he contracts to perform and is liable for a failure to complete the service or work.
  - f. Receives compensation for service or work performed under a contract on a commission or per job or competitive bid basis and not on any other basis.
  - g. May realize a profit or suffer a loss under contracts to perform services or work.
  - h. Has continuing or recurring business liabilities or obligations.
  - i. Depends on the relationship of business receipt to expenditures for the success or failure of the business.
2. Forest Products Permits - Do not require proof of worker's compensation.